

March 1, 2007

MEMORANDUM

TO: Office of the Executive Secretary

FROM: George French, Deputy Director
Division of Supervision and Consumer Protection (DSC)

SUBJECT: Meeting between FDIC and JPMorganChase Representatives
Concerning the Notice of Proposed Rulemaking; Risk-Based
Capital Standards: Advanced Capital Adequacy Framework (Basel
II NPR)

On February 26, 2007, Chairman Bair, Chief of Staff Jesse Villarreal and DSC Deputy Director George French met with representatives from JPMorganChase (JPMC). At the meeting, the JPMC representatives provided the FDIC with an overview of risk measurement and validation systems, and presented their views of various issues involving the Basel II NPR, which was approved by the FDIC Board of Directors in September, 2006 for publication in the Federal Register. The views expressed by JPMC were generally consistent with a public comment letter submitted by JPMC and three other large U.S. banks dated February 7, 2007.

Chairman Bair expressed her wish to resolve NPR issues in a way that reduced burden on institutions while preventing unconstrained reductions in risk-based capital requirements.

The representatives from JPMC were: Mike Cavanagh, EVP and Chief Financial Officer; Rick Lazio, Head of Government Relations and Public Policy; John Watkins, Head of Consumer Risk Management; Bill Stensrud, Retail Financial Services; Naomi Camper, Director of Federal Government Relations; Ken Phelan, Head of Risk Management Services; Adam Gilbert, Head of Basel II and Regulatory, Risk Management Services; and Michel Aratin, Basel II and Regulatory, Risk Management Services.

Please place this memorandum in the public file for the Basel II NPR.